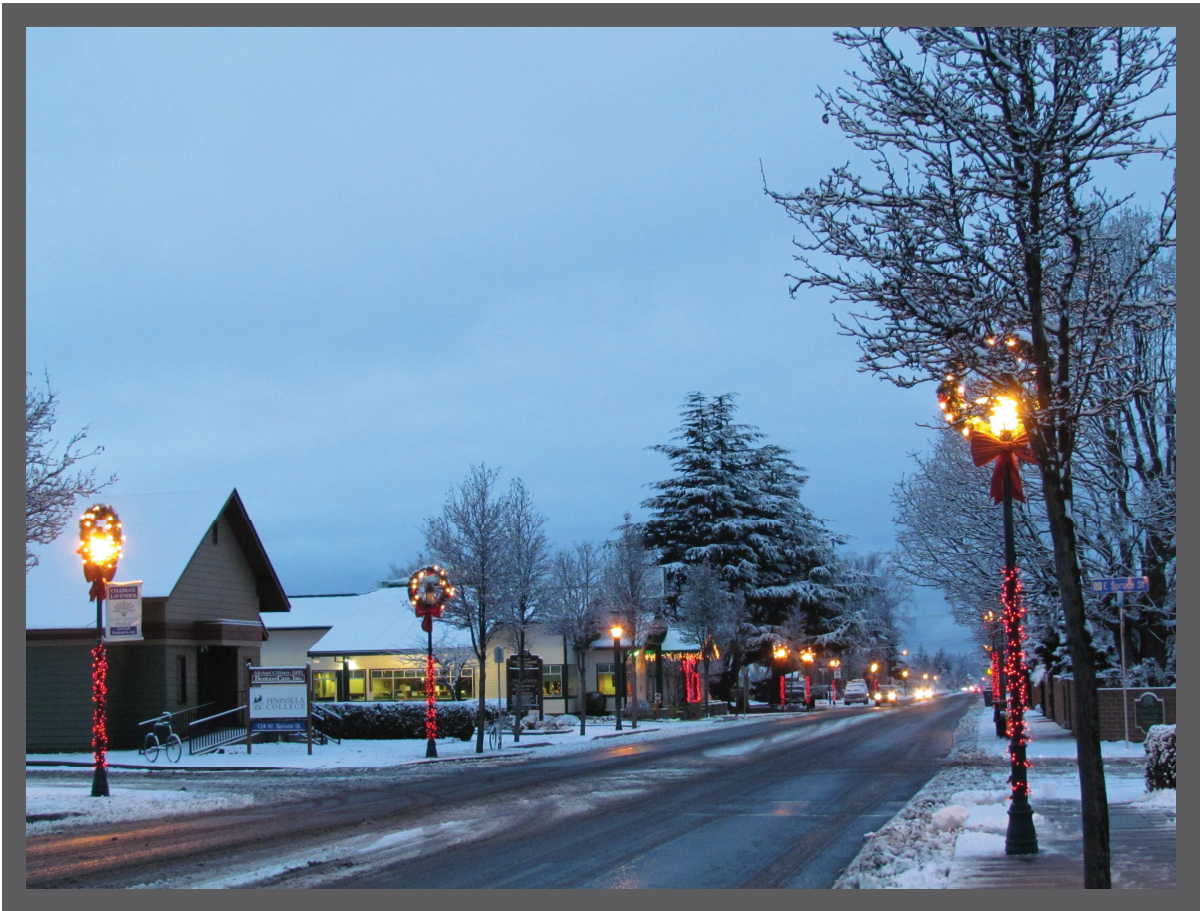


City of Sequim 2015 Budget

Transfers & Interfund Charges



City Of Sequim Budget Overview

Transfers between Funds

Key Goals

- ❖ Provide a funding source for one-time expense, capital projects, debt payments, operations, etc. within restrictions and regulatory requirements
- ❖ Transfers are appropriately authorized
- ❖ Acceptable audit documentation
- ❖ Transfers “in” and “out” are balanced

Transfers are moneys taken out of one fund and deposited into another to provide funding for a particular activity and are considered “Other Financing Sources and Uses”. Although transfers are budgeted, the amount transferred should only be the amount necessary to complete the activity.

Transfer Report: The top of this Report identifies the receiving fund of the transfer (the use or revenue). The bottom of the report identifies the fund incurring the expense for the transfer out (the source). Significant transfers include: remaining LTGO Debt proceeds to Civic Center project, from Water/Sewer for projects (including Civic Center) and bond payments, from General Fund to Street operations, equipment replacement, and LTGO debt service, and from other funds for projects.

DESCRIPTION	Transfer In	Transfer Description
General Fund	33,000	From Water & Sewer Ops for Facility Projects
Street Restricted	768,000	From Water/Sewer for Utility Related Road Repairs, REET for capital improvements, Other Streets R for capital projects
Street UnRestricted	515,000	From General Fund & REET for Street Ops
Stormwater Restricted	133,000	From Water/Sewer for Project Stormwater
Stormwater Unrestricted	110,000	From Water/Sewer for Operations
Police Restricted	10,000	From General Fund as City's match for the SRO grant
Police Asset Seizure	20,000	From Seized Drug Money fund for restricted use
Parks Restricted	112,500	From Sewer & Parks for Debt payments & projects
Equipment Reserve	120,026	From General Fund & Streets for Equipment
Debt Service Fund	634,000	From General Fund, REET and Police Restricted (public Safety Tax) for debt payments
Capital Facilities Fund	6,324,500	From Debt Service Fund, Water & Sewer for Civic Center, From Water & Sewer for PW Shop upgrades
Water Restricted	493,000	From Water Ops & Water Debt for Capital projects & Replacement Reserve, From Sewer for Remotely Read Meters
Sewer Restricted	1,001,832	From Water & Sewer for Bond redemption & Replacement Reserve, From Water for Capital Projects
Totals Transfers In	10,274,858	
DESCRIPTION	Transfer Out	
General Fund	701,379	To Street Ops, Equipment Replacement Reserve & Debt Service (LTGO)
Street Restricted	253,000	To Streets for Projects
Street UnRestricted	37,647	To Equipment Replacement Reserve
Police Restricted	235,000	To Debt Service for bond payments
Parks Restricted	82,500	To Parks for Keeler Debt Payments
Real Estate Excise Tax	370,000	To Debt Service, to Streets R for projects, to Streets Ops & to Parks R
Debt Service Fund	3,239,000	To Capital Facilities for Civic Center project
Water Restricted	2,341,500	To Water Replacement, to Sewer Debt, to Utility Related Capital Projects, including Civic Center, to Project Stormwater
Water UnRestricted	438,000	To Replacement Reserve, to Stormwater Ops, to Capital Facilities, to General Fund, To Water Debt
Sewer Restricted	1,937,500	To Streets for Utility Related Road Repairs, to Capital Facilities for Civic Center, to Project Stormwater
Sewer UnRestricted	619,332	To Debt and Utility Related Capital Projects, to Stormwater Ops, to General Fund
Police Expendable Trust	20,000	To Police Restricted for restricted use
Total Transfers Out	10,274,858	

City Of Sequim Budget Overview

Cost Allocations for Interfund Services

Key Goals

- ❖ Apportion administrative costs to operating funds that are supported by central services
- ❖ Apportion Public Works central services costs to Public Works operating funds and capital projects
- ❖ Acceptable audit documentation

Cost Allocation Method

The City provides support services to operating units (funds and departments) through the following Central Service Departments (cost centers).

- ❖ City Council (allocations not allowed on Federal Programs)
- ❖ City Administration (City Manager, City Clerk, City Attorney, Communications and Human Resources)
- ❖ Administrative Services (Finance and Information Technology)
- ❖ Public Works Administration (GIS/Engineering, PW Admin, and Facilities Maintenance)
 - The costs in Public Works administration is a mixture of overhead and direct costs of providing services. Since the City is small and employees serve multiple functions, it was easiest to centralize costs and services instead of trying to directly charge them to each public works function or capital project.
- ❖ Non-Departmental (City-wide Expenses)

The allocation base determines how the costs are distributed from the Central Services, also referred to as indirect, administrative, or overhead cost centers, to operating units which provide services directly to customers. The City uses the following allocation bases:

- ❖ Council Agenda items
- ❖ Fund Activity (expenses net of interfund charges, transfers, debt)
- ❖ Number of employees (FTEs)
- ❖ Equipment: IT equipment, vehicles, other equipment maintained by support services
- ❖ Square Footage of office space (owned and leased, public restrooms and other buildings)
- ❖ Insurance Claims to allocate insurance premiums

2015 Budget Summary

- ❖ The model was changed to eliminate allocations to the Civic Center project - the charge is calculated but not booked due to budget limitations of the project. There have also been updates for equipment purchases, square footage due to employee office changes, and FTE adjustments. Eliminating the charge to the Civic Center project reduced allocation revenue to the General Fund by \$319k from the prior year budget (but is a slight increase from the 2014 forecast).

	General Fund	Streets Ops	R	Storm Water Ops	R	Capital Facilities	Water Ops	R	Sewer Ops	R	Totals
REVENUE											
General Fund	2,169,272	-	-	-	-	-	-	-	-	-	2,169,272
Total Revenue	2,169,272	-	-	-	-	-	-	-	-	-	2,169,272
EXPENSES											
Streets	-	193,100	155,221	-	-	-	-	-	-	-	348,321
Storm Water	-	-	-	25,273	56,751	-	-	-	-	-	82,024
Capital Facilities	-	-	-	-	-	4,087	-	-	-	-	4,087
Water	-	-	-	-	-	-	410,104	172,493	-	-	582,597
Sewer	-	-	-	-	-	-	-	-	936,283	215,960	1,152,243
Total Expenses	-	193,100	155,221	25,273	56,751	4,087	410,104	172,493	936,283	215,960	2,169,272

